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November 26, 1990

Hersh Kozlov, Esq.  
Kozlov, Seaton & Romanini, P.C.  
1110 Wynwood Avenue  
Cherry Hill, New Jersey 08002

Re: Kin-Buc Landfill

Dear Mr. Kozlov:

Effective on November 21, 1990, the parties hereto agree to the terms set forth in this letter agreement among Transtech Industries, Inc., Kin-Buc, Inc. and Filcrest Realty, Inc. (hereinafter, for all, "Transtech") and ~~SCA Services, Inc., a wholly owned subsidiary of Waste Management, Inc.~~ SCA Services of Passaic, Inc., Wastequid, Inc. and their subsidiaries and successors (hereinafter, for all, "SCA"). This letter agreement is necessary to enable the parties to satisfactorily and equitably allocate the cost and responsibilities of complying with USEPA Administrative Order No. II-CERCLA-00114, as amended (the "Order"). The parties hereto agree to subsequently enter into a definitive agreement that will include in greater detail the provisions set forth herein.

1. On November 21, 1990, SCA, on behalf of the respondents under the Order, will submit all documents and other information acceptable to EPA and necessary to comply with the requirement set forth in Paragraph VII(B)2(d) of the Order that respondents provide financial assurance that all of the response actions required under the Order will be satisfactorily completed. SCA shall undertake to do and shall do all things necessary to comply with such requirement including the submission to EPA of the guaranty of Waste Management, Inc. of all the respondents' obligations under the Order. Copies of all submissions to EPA by SCA or its guarantor, including statements of financial officers and guaranty agreements, will be submitted to Transtech simultaneously with the submittal to EPA.

2. Transtech shall have no further obligations under this agreement or under the definitive agreement if either (a) SCA should fail to comply, in the opinion of EPA, at any time during the term of this agreement or the definitive agreement, with the requirement of financial assurance; or (b) any other respondent under the Order should be required by EPA, at any time during the term of this agreement or the definitive agreement, individually or together, to provide financial assurance under the Order. In the event Transtech is no longer bound hereby, and notwithstanding anything in the Settlement Agreement or the Trust Agreement to the contrary, Transtech may withdraw that portion of the balance of the Trust Fund which it contributed to the Trust under this agreement or the definitive agreement. Further, in such event, SCA will release all collateral security which Transtech may have granted it pursuant to this agreement or the definitive agreement.

3. In the event SCA complies with the requirement of financial assurance under the Order by meeting a financial test and providing the guaranty of Waste Management, Inc., then neither company shall take any action, during the term of this agreement or the definitive agreement, which would cause it to fail to meet the financial test. SCA represents and warrants that it is solvent and has the authority to enter into this agreement.

4. The Trust Agreement executed by the parties pursuant to the Settlement Agreement for Matters Relating to the Kin-Buc Landfill, which was executed in February 1986, shall be amended effective on the signing hereof to provide that the balance to be maintained in the Trust Fund shall not be less than \$2,000,000 at any time.

5. On November 23, 1990 Transtech shall wire transfer immediately available funds in the amount of \$3,000,000 into the Trust Fund, and SCA shall immediately thereafter wire transfer immediately available funds in the amount of \$1,000,000 into the Trust Fund.

6. To secure its performance under the Settlement Agreement, the Trust Agreement, this letter agreement and the definitive agreement to be executed subsequently hereto, Transtech agrees that from and after the date of this letter agreement it shall maintain unencumbered cash and cash equivalents in an amount equal to at least \$4,000,000, provided however, that in the event the amount of Transtech's cash and cash equivalents is to be decreased to an amount below \$4,000,000 due to Transtech's acquisition of a business or its merger or consolidation with another entity, Transtech shall in substitution for this covenant provide SCA with

a perfected lien on collateral having a fair market value of at least \$4,000,000. Such lien shall be evidenced by such security agreements, financing statements, mortgages or other documents as may be necessary to provide SCA with a perfected lien on the collateral. Transtech agrees that it shall not consummate any business acquisition that would have the effect on its cash position that is set forth in this paragraph without previously or simultaneously providing SCA with the security provided for in this paragraph.

7. Effective on the date of this letter agreement, Transtech will not, without the prior consent of SCA: (a) declare or make any payments of dividends or other distributions in respect of its stock; (b) lend, advance or pay any monies to shareholders, officers or directors of Transtech, except in the ordinary course of business; (c) purchase or redeem any shares of its capital stock; or (d) make any commitments to take any of the actions specified in this section.

8. In the event that Transtech's actions against other responsible parties result in amounts being paid into the Trust Fund, the requirement set forth herein to maintain cash and cash equivalents in an amount equal to \$4,000,000 or to provide collateral in an amount equal to \$4,000,000 in value, shall be reduced by 75% of the amount paid into the Trust Fund. Nothing herein shall be construed as requiring the payment into the Trust Fund of receipts from responsible parties to the extent such payment is not required under the Settlement Agreement, and to the extent any such payment is made or required under the Settlement Agreement, then such payment shall be net of costs (including attorneys' fees) incurred by Transtech in any action leading to the recovery of such receipts.

9. Upon the mutual consent of the parties hereto, the balance in the Trust Fund may be used to pay the cost of any remedial action required under the Order.

10. This agreement and the definitive agreement shall terminate on the earlier of (i) the completion of all work required to be completed under the Order; or (ii) the parties mutually agreeing to terminate this agreement or the definitive agreement. In the event EPA takes over the responsibility for the closure of the Kin-Buc Landfill from the respondents, then no party may withdraw any Trust Funds from the Trust and all Trust Funds must be used for the remediation of the site.

11. The terms of this agreement and the definitive agreement, and all submissions made by SCA to EPA or to Transtech under this agreement or the definitive agreement, shall be considered a part of a confidential settlement agreement and shall not be disclosed to any party other than those named herein, except as disclosure may be required under securities or other applicable law or regulation.

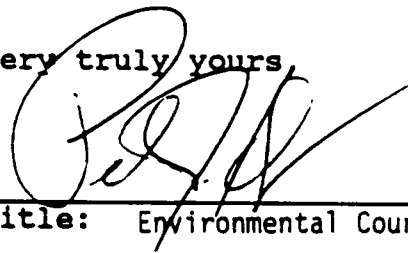
12. The definitive agreement shall contain terms adequate to insure that the non-defaulting party shall be protected in the event of a default by the other party in the performance of any of its obligations thereunder.

13. SCA shall have the right at any time during the term of this agreement and the definitive agreement to seek and obtain from Transtech such information as is sufficient to enable SCA to determine whether Transtech is in compliance with the terms of this agreement or the definitive agreement.

14. In the event the parties are unable to agree upon the terms of the definitive agreement, then the terms of this agreement shall control and define the rights of all the parties hereto.

Please have your client indicate its agreement to the above on behalf of Transtech, Inc. and its subsidiaries by signing on the line below and returning an executed copy to me. I will prepare a draft of the definitive agreement and forward it to you as quickly as possible.

Very truly yours,

  
Title: Environmental Counsel

On behalf of SCA Services, Inc.,  
a wholly owned subsidiary of  
Waste Management, Inc., SCA  
Services of Passaic, Inc. and  
Wastequid, Inc.

Accepted and agreed:

TRANSTECH INDUSTRIES, INC.

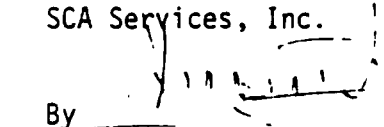
By:

  
Kenneth A. Ernst, President

Accepted and Agreed:

SCA Services, Inc.

By

  
HERBERT A. GETZ, Vice President